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COMMODITY CREDIT CORPORATION (CCC) ANNOUNCES BIOENERGY PROGRAM SIGN UP

WASHINGTON, November 20, 2000 - Keith Kelly, Executive Vice President, Commodity Credit Corporation, today announced that the sign-up period for the Bioenergy Program announced last month by Secretary Glickman (USDA release number 0379, 10-31-2000) will begin on December 1, 2000, and end on December 31, 2000, for Fiscal Year (FY) 2001 program payments.

Under the program, CCC will make up to \$150 million in payments to commercial bioenergy (ethanol and biodiesel) producers in the United States that increase their bioenergy production from eligible commodities between December 1, 2000, and September 30, 2001. Payments will be based on bioenergy production increases from eligible commodities compared to the same time period a year earlier.

To be eligible under the program ethanol producers must produce and sell ethanol commercially and have authority from the Bureau of Alcohol Tobacco and Firearms to produce ethanol for fuel or sell denatured ethanol rendered unfit for beverage use. All fuel ethanol production is eligible, however, ethanol under 200 proof will be converted to 200 proof gallons before payment calculations are made. Biodiesel producers must produce and sell biodiesel commercially and be registered and in good standing with the Environmental Protection Agency.

Eligible commodities for FY 2001 will be barley, corn, grain sorghum, oats, rice, wheat, soybeans, sunflower seed, canola, crambe, rapeseed, safflower, sesame seed, flaxseed, mustard seed, and cellulosic crops (such as switchgrass and short rotation trees) grown on farms in the United States and its territories for the purpose of and used in producing fuel grade ethanol and or biodiesel.

Any bioenergy producer who expects to have eligible production between December 1, 2000, and September 30, 2001, must enroll in the program during the sign-up period. For example, a bioenergy producer with a new plant that is expected to become operational in July 2001 must enroll that plant in the program by December 31, 2000, to be eligible to receive program payments on that new production during FY 2001.

After the sign-up period ends, CCC will announce whether the sign-up resulted in more funds potentially being needed than the \$150 million available and, if so, what factor will be applied to all payments during the year to keep program expenditures within the \$150 million. Other than ethanol production from corn and biodiesel production from soybeans, CCC will announce for each additional eligible commodity enrolled in the program for FY 2001 the applicable gallon conversion factor that will be used; and how payments will be determined.

Producers wishing to enroll in the program should obtain a Bioenergy Program Agreement, Form CCC-850, and instructions for completing it from either the Kansas City Commodity Office, Contract Reconciliation Division, PO Box 419205 STOP 8758, Kansas City, MO 64141-6205, Telephone 816-926-6525; or via the Internet at www.fsa.usda.gov/daco/bioenergy/bioenergy.htm.

Once a producer has been determined to be eligible and accepted into the program, additional instructions will be provided on how to submit quarterly applications for payments under the program. Additional terms and conditions can be found in the applicable regulations.

The Final Rule implementing the Bioenergy Program was published on November 13, 2000, in the Federal Register and is codified at 7 CFR Part 1424. Interested parties may obtain additional program information from the rule or by contacting James Goff at (202) 720-5396 or by e-mail at

James_Goff@wdc.fsa.usda.gov.

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